



# CEVA'S GLOBAL ANTICORRUPTION POLICY

February 2020

# CONTENTS

## 1.0 INTRODUCTION

[1.1 Purpose](#)

[1.2 Application](#)

[1.3 Anticorruption compliance function](#)

[1.4 CEVA's commitment to continuous improvement](#)

## 2.0 CORRUPTION & BRIBERY

[2.1 What is corruption?](#)

[2.2 What is bribery?](#)

[2.3 Government Officials](#)

[2.4 Facilitation Payments](#)

[2.5 Charitable & Political Contributions](#)

## 3.0 GIFTS & ENTERTAINMENT

[3.1 How can gifts & entertainment be a problem?](#)

[3.2 What are the rules?](#)

## 4.0 ACCOUNTING REQUIREMENTS

## 5.0 THIRD PARTY RELATIONSHIPS

## 6.0 REPORTING & HANDLING ALLEGATIONS

[6.1 How to report?](#)

[6.2 What are the consequences of non-compliance?](#)

## 7.0 DOCUMENT CONTROL

## 8.0 CONCLUSION

[8.1 Policy Summary](#)

[8.2 Acknowledgment](#)

[8.3 For employees only](#)

# 1.0 INTRODUCTION

## 1.1 Purpose

It is CEVA's ("the Company") policy that all of its business and other activities comply with all applicable laws and regulations at all times to meet the expectations of internal and external stakeholders. The purpose of this Global Anticorruption Policy ("the Policy") is to ensure compliance by employees and representatives of the Company with the anticorruption laws worldwide. CEVA's Compliance & Ethics (C&E) program provides a framework for setting, reviewing and achieving anti-bribery objectives.

## 1.2 Application

This policy is applicable to all regions and divisions of the Company and to all employees and representatives acting for or on behalf of the Company. Strict adherence to this policy is required, except to the extent that a more stringent law exists in the country in which you work.

## 1.3 Anticorruption compliance function

CEVA has delegated the responsibility to lead CEVA's anti-bribery management system to CEVA Compliance & Ethics department. CEVA's Chief Compliance Officer has the authority and independence to take Anticorruption related decisions.

## 1.4 CEVA's commitment to continuous improvement

CEVA will not tolerate corruption. In line with this, CEVA's C&E will periodically review this policy to ensure it drives compliance with any new Anticorruption law in the countries we do business. CEVA's C&E will monitor and audit CEVA's anti-bribery management system to identify improvement opportunities.

# 2.0 CORRUPTION & BRIBERY

Corruption harms societies and undermines fair trade, which is crucial to our business. Governments around the world are trying to wipe out bribery and corruption, and CEVA is committed to that, too. Very simply: CEVA prohibits all forms of bribery and corruption. We do not give or receive anything of value that could even appear to improperly influence a decision by us or someone else. Instead, we deal with our customers, suppliers, and regulators in an honest and straightforward manner. We comply with the anti corruption laws that apply to our business and adhere to international principles on anti corruption, most notably the United States Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act, the United Nations Global Compact, the Organization for Economic Cooperation and Development (“OECD”) Anti-bribery Convention, and other applicable anti-bribery laws.

## 2.1 What is corruption?

Corruption is the abuse of entrusted power for private gain.



## 2.2 What is bribery?

Offering, promising, giving, accepting or soliciting an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person’s duties.



**Question:** In my country it is a customary practice that payments are made to customs officials for the purpose of avoiding inspection of cargo which would otherwise be mandatory under the local laws. Are such payments allowed under CEVA policy?

**Answer:** Absolutely not as such payments are made with the intention to prevent customs officials performing their duties and should be considered bribes.

**Question:** You have a customer which is a company partially owned by a government, you would like to invite your customer contact to dinner, is this ok?

**Answer:** Given your customer and customer contact are considered government officials under Anticorruption laws, you are required to get approval from CEVA Compliance & Ethics department before making the invitation. Depending on the circumstances and other information required by Compliance & Ethics, this entertainment may be approved.

## 2.3 Government Officials

CEVA prohibits any offer, payment or promise of money or anything of value directly or indirectly to a “government official” in order to obtain or retain business or to secure an improper advantage.

Under the UK Bribery Act there is a strict liability provision which would mean that there is no need to show that a company intended to make the bribe in bad faith or that it was negligent to whether any bribery activity took place.

A “government official” means:

- any officer or employee of a foreign, national, local or municipal government whether elected or appointed;
- any person acting in an official capacity or exercising a public function for or on behalf of any government or its instrumentality;
- any officer or employee of a public international organization such as the UN or the World Bank;
- a member of a legislative branch, judge, customs official, or taxing official;
- political parties, their officials, and candidates for public office;
- or employees of state-owned or state controlled commercial enterprises.



Please review CEVA’s [Policy on Reporting Relationships to, or Service as, a Government Official](#) for more information.



**Question:** At the local airport a private company has been contracted by the government agency to manage the handling of activities. I am not sure if they are a government official or not. What should I do?

**Answer:** Generally, if you are unsure you side on the error of caution and assume they are a government official. In this case, we would assume the company providing handling services at the airport should be treated as if they are a government official.

## 2.4 Facilitation Payments

Is the term sometimes given to an illegal or unofficial payment made in return for services that the payer is legally entitled to receive without making such payment. It is normally a relatively minor payment made to a public official or person with a certifying function in order to secure or expedite the performance of a routine or necessary action, such as the issuing of a visa, work permit, customs clearance or installation of a telephone.

It does not include a discretionary decision by a government official such as, for example, a decision to award business or to avoid inspection, as in this case payment would not be consider facilitation but bribe. CEVA prohibits facilitating payments except where an imminent threat to personal health or safety exists. CEVA prohibits facilitation payments except when imminent threat of personal health, safety or liberty exists, as long as promptly reported and properly documented. This is called an extortion payment.



**Question:** I need to arrange for employees of a private company (appointed by the port authority) to get the containers unloaded timely at the airport. May I pay those individuals a USD\$10 tip with no receipt to get the job done faster?

**Answer:** No, such a payment would be contrary to CEVA policy and under jurisdiction of some countries could qualify as bribery.

## 2.5 Charitable & Political Contributions

We conduct our business activities so that inappropriate charitable and political activities or statements do not harm CEVA's best interests. Generally, the Company does not intervene in political matters, and all of us must strictly follow all financial, ethical, and other laws and regulations on political activities, including lobbying. Because of that, our [CEVA Business Rules](#) set out the rules and required approvals with regard to charitable and political contributions. Of course, as private citizens, we all may participate in political activities and make contributions on our own time and with our own money. However, we cannot use the CEVA name, CEVA money, resources, or time to do that.

## 3.0 GIFTS & ENTERTAINMENT



One key way to avoid corruption and bribery is to be careful about the gifts and entertainment we give and receive. Note that sponsorship to or from customers or vendors should be regarded as a gift.

Usually, corruption is not as obvious as handing a briefcase full of cash to someone in a secret place. Instead, it is often more gradual and subtle.

### 3.1 How can gifts & entertainment be a problem?

Reasonable, good-faith gifts and entertainment are generally an acceptable and customary part of doing business. However, there are several ways that gifts and entertainment can present anticorruption problems for CEVA, our customers, and our vendors and suppliers if we are not careful:

- Expensive, lavish, and frequent gifts and entertainment are often little more than ill-disguised bribes. The giver may be trying to “buy” favorable treatment from you.
- Even smaller gifts and entertainment given with good intentions can create conflicts of interests: for example, instead of making an objective decision based on which vendor offers CEVA the best service, it may be tempting to award business to someone who took you to a nice dinner. For more on Conflicts of Interest, please refer to our [Code of Business Conduct](#).
- Many companies’ policies prohibit their employees from receiving any gifts and entertainment. Therefore, your well-meaning gesture of giving a small holiday present to your customer contact may put them in an awkward position.
- Finally, even if the gift is not too big or the entertainment too nice, and even if everyone has the best of intentions, gifts and entertainment often simply look bad. Other vendors, suppliers, customers, and others may look at what you gave or got and question your ethics and integrity. If you award a new contract to a particular vendor who gave you a nice holiday present, how does that look?

## 3.2 What are the rules?

At CEVA, we do compete for and award business transparently and solely based on merit and in CEVA's best interest – not improper personal benefits given by or to us. Do not be influenced by gifts, entertainment, or benefits of any kind from current or potential customers or suppliers. These gifts if given with corrupt intent, could affect our objectivity, or create a perceived advantage or preferential treatment. Nor should we do or offer any of those things to other parties: we do not get or give improper gifts and entertainment. Never ask for a gift from a vendor, supplier, or anyone else for yourself, your friends, or your family.

Reasonable, infrequent gifts and entertainment of nominal value are OK. However, they cannot be given or received in exchange for business benefits, with corrupt intent, or even look like it. The limits on gifts and entertainment are as follows:

- As a general rule, infrequent gifts and entertainment of US\$100 or less and *not* involving a government official are OK;
- Anything more than US\$100 and not involving a government official must be approved by your supervisor;
- Anything US\$250 or more or involving a government official must be approved in advance by Compliance & Ethics.
- Do not pay for any other party's travel costs (or accept payment by any other party for your travel costs) without advance approval by Compliance & Ethics.
- Please also review our [Gifts and Entertainment Guidelines](#) for more details.



**Question:** Is it acceptable for me to take my customer to dinner?

**Answer:** Yes, reasonable entertainment is legal and an accepted part of doing business, and CEVA allows for reasonable and appropriate entertainment of our customers as long as it is also allowed by the customer's policies. If the value is at or above US\$250, you would need to request approval from Compliance & Ethics department before inviting the customer.



## 4.0 ACCOUNTING REQUIREMENTS

All books, records and accounts of CEVA must be maintained in reasonable detail and fairly reflect all transactions and dispositions of assets. CEVA prohibits any mischaracterization or omission of any transaction on the Company's books.

CEVA further prohibits any false or misleading entries in CEVA's books or records. We prohibit Company employees and representatives to engage in any arrangements that would result in misleading entries.

No undisclosed or unrecorded funds or assets may be established.



## 5.0 THIRD PARTY RELATIONSHIPS



In many instances, the use of third parties (agents, consultants or joint venture partners - collectively "representatives") is an essential element of doing business. Representatives are generally retained by the Company for the expertise and services they are able to provide.

The prohibitions of anticorruption laws include illegal conduct by representatives on the Company's behalf. The Company must be careful to avoid situations involving representatives that might lead to any violation of anticorruption laws.

Please review our [Third Party Compliance Due Diligence Policy](#) which sets out what kind of due diligence needs to be done with regard to what third parties.

# 6.0 REPORTING & HANDLING ALLEGATIONS

We expect and encourage all of our employees to report violations and suspected violations and to cooperate with the Company in addressing them. In fact, where allowed by law, we *require* employees to do that. If you report issues to us, you actually are helping the Company handle problems properly and make sure we are running a compliant company.



## 6.1 How to report?

Here are various ways you can report – use whatever method you are most comfortable with. Please see the [Hotline Reporting Procedure](#) for more information.

- **Management.** Tell your manager/supervisor if he or she is not involved in the alleged misconduct and you are comfortable doing so. Or another member of management if you think that will be more effective.
- **Legal, Compliance & Ethics, or Human Resources representative.** If you are not comfortable talking to your manager/supervisor, call one of our experts who can help. CEVAnet has the latest contact information for all of our Legal, Compliance & Ethics personnel, including our Chief Legal Officer and Chief Compliance Officer, Global Compliance Director, and Human Resources representatives.
- **Compliance Hotline.** You can also report violations or suspected violations of this policy by contacting the [Compliance Hotline](#).
- **Web-based reporting.** Our hotline service also offers web-based reporting , so if you are more comfortable on-line. Or you can use this email address: [CEVA.Compliance@Cevalogistics.com](mailto:CEVA.Compliance@Cevalogistics.com).

We encourage you to give your name when reporting a suspected violation and as much information as you can to help us look into the matter. However, you can remain anonymous if you wish and if permitted by local law and we will treat all reports as confidentially as reasonably possible. Report in whatever way you are comfortable. If you do not believe your matter is being handled, report it again or try a different reporting method.

CEVA denounces any form of retaliation (directly or indirectly) against any person who in good faith reports a compliance matter or who refuses to participate in, or turns down, any activity in respect of which they have reasonably judged there to be a more than low risk of bribery that has not been mitigated by the organization.

## 6.2 What are consequences of non-compliance?

Failure to comply with Anticorruption laws is expensive, time-consuming, and distracting us from our business objectives.

They could cause CEVA as a company and CEVA employees individually to pay heavy fines sometimes applied by concurrent Anticorruption regulatory agencies in different countries. In addition to these and to other financial burdens that CEVA may suffer in connection with misconduct, individuals may need to bear imprisonment and other restrictions as a result of legal actions by those countries.

At CEVA, subject to and to the fullest extent allowed by applicable law, violation of CEVA's Global Anticorruption Policy as well as violation to the CEVA's [Code of Business Conduct](#) or other policies and procedures may result in disciplinary action, including possible termination.



**Question:** I have a management role. One of the employees in the team has decided to report his concerns to me about a possible misconduct by another employee. Evidence provided seems very conclusive, so I decide to talk to the employee involved in the misconduct and ask him to stop misconduct. Is this correct?

**Answer:** No, even when evidence provided might seem conclusive, do not jump to conclusion and do not address by yourself. Instead, please report what was reported to you to Compliance & Ethics for proper investigation and handling. If Compliance & Ethics needs your help, you will be asked to assist.

# 7.0 DOCUMENT CONTROL

Title: CEVA's Global Anticorruption Policy

Date: 01 May 2017

Author and Title: Liliana Arimany, Global Compliance Director

Revision Number: 20170101

Format: PowerPoint and PDF

Languages: Arabic, Bahasa, Chinese Simplified, Chinese Traditional, Czech, Dutch, English, French, German, Hungarian, Italian, Japanese, Korean, Malaysian, Polish, Portuguese, Portuguese (Brazil), Romanian, Slovak, Spanish, Tagalog, Thai, Turkish and Vietnamese.

Software Version: Adobe Acrobat Pro

Media: Electronic

Reviewer Name and Title: Dawn Wetherall, Chief Compliance Officer

Approver Name and Title: Xavier Urbain, Chief Executive Officer and the Board of Directors

# 8.0 CONCLUSION

## 8.1 Policy Summary

- **No public sector bribery.**
  - We do not engage in any form of bribery of government officials.
- **No facilitation payments.**
  - Facilitation payments are small payments made to government officials at any level to get them to do (or to do more quickly) routine things they have to do anyway.
- **No private sector bribery.**
  - We do not engage in “commercial” or private sector bribery. For instance, we will not pay “kickbacks” to private, commercial customers to obtain business. So, whether the government is involved or not, we must not engage in bribery.
- **No accepting bribes.**
  - We do not accept any sorts of bribes or improper payments. For example, we will not accept improper gifts from vendors to try to get us to award them business. The threshold for accepting gifts is very low and the best practice is to avoid all gifts.
- **No other improper influences or inducements.**
  - We do not give, offer, or accept other forms of bribery, such as personal favors for the key decision-maker at a customer considering awarding us business, donations to a government official’s favorite charity, agreeing to hire the daughter of a government official with influence over CEVA’s business, or anything else of value. Be cautious and thoughtful with “discounts” or “rebates” to ensure that they are not improperly influencing the giving or receiving of services. If any doubts on these, please check with Legal / Compliance & Ethics.
- **Relations with government officials.**
  - If you are or have you been a government official or are related to one, we need to know that to ensure that we take appropriate steps to avoid activities that might appear corrupt. Please review our [Policy on Reporting Relationships to, or Service as, a Government Official](#) in [CEVA's Business Rules](#).
- **Due diligence.**
  - We follow the Company’s [Third Party Compliance Due Diligence Policy](#) for evaluating third-party agents, partners, and subcontractors to ensure that they are the types of companies CEVA wants to do business with and will follow our high ethical standards, particularly when it comes to corruption and bribery.
- **Gifts and Entertainment.**
  - These should be reasonable and within [Gifts & Entertainment Guidelines](#). Those at or above US\$250 or involving government officials must be approved in advance by Compliance & Ethics.

## 8.2 Acknowledgment

Subject to and to the fullest extent allowed by applicable law, I hereby:

- acknowledge that I have received, reviewed, understand, and will comply with CEVA's Global Anticorruption Policy;
- understand that violation of the Global Anticorruption Policy or CEVA's other policies may result in disciplinary action, including possible termination; and
- agree that I will promptly report any known or suspected violations of the Global Anticorruption Policy, other CEVA policies, applicable laws or regulations, and any actual (or apparent) conflicts of interest.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

CEVA Location: \_\_\_\_\_



If you are signing this acknowledgment manually, please provide this page to your local HR representative to be placed in your personnel file.

## 8.3 For employees only

### Links to supporting CEVA policies

- [CEVA Business Rules](#)
- [Code of Business Conduct](#) \*
- [Compliance Hotline Phone Numbers](#)
- [Gifts and Entertainment Guidelines](#)
- [Hotline Reporting Procedure](#)
- [Policy on Reporting Relationships to, or Service as, a Government Official](#)
- [Third Party Compliance Due Diligence Policy](#)

*\*Accessible outside of the CEVA network*



